

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

FILED
TIME: _____

AUG 26 2004

JAMES BONINI, Clerk
COLUMBUS, OHIO

UNITED STATES OF AMERICA

vs.

: NO. **2:04 cr 1347**

JUDGE

ROGER D. BLACKWELL
KELLEY L. HUGHES
KEVIN L. STACY
ARNOLD L. JACK
JUSTIN VOSS
BLACK JACK ENTERPRISES

18 U.S.C. §2
18 U.S.C. §371
18 U.S.C. §1001
18 U.S.C. §1505
15 U.S.C. §78j(b)
15 U.S.C. §78ff
17 C.F.R. 240.10b-5

JUDGE GRAHAM

I N D I C T M E N T

THE GRAND JURY CHARGES:

COUNT 1

(CONSPIRACY TO INSIDER TRADE)

THE DEFENDANTS

1. Defendant ROGER D. BLACKWELL is a resident of Columbus, Ohio. From about 1992 to November 29, 1999 defendant ROGER D. BLACKWELL was a member of the Board of Directors of Worthington Foods (the "Board"), a position for which he was compensated. At all relevant times he also was: (1) the president and sole owner of Roger Blackwell Associates, Inc., a consulting firm; (2) the trustee of the Blackwell Pension Plan Trust, a pension plan; (3) a general partner and 50% owner, along with defendant ARNOLD L. JACK, of defendant BLACK JACK ENTERPRISES, an

Ohio general partnership; and (4) a partner with defendant ARNOLD L. JACK in a condominium in Breckenridge, Colorado and certain other business ventures. The Roger Blackwell Associates, Inc. Pension Plan Trust was at all relevant times a defined benefit pension plan created for the benefit of employees of Roger Blackwell Associates, Inc., a consulting firm owned by defendant ROGER D. BLACKWELL, located in Columbus, Ohio. Defendant ROGER D. BLACKWELL is the sole trustee of the Roger Blackwell Associates, Inc. Pension Plan Trust. In 1999, at least defendant KELLEY L. HUGHES and unindicted co-conspirator B were direct beneficiaries of the trust.

2. Defendant KELLEY L. HUGHES and defendant KEVIN L. STACY are husband and wife and live in Columbus, Ohio. Defendant KELLEY L. HUGHES has bachelors degrees in marketing and accounting. Defendant KELLEY L. HUGHES began her employment at Roger Blackwell Associates, Inc. in 1990 and is currently employed there. At all relevant times, defendant KELLEY L. HUGHES was the Office Manager and Director of Marketing for Roger Blackwell Associates, Inc. With regard to the Roger Blackwell Associates, Inc. Pension Plan Trust, defendant KELLEY L. HUGHES had dual roles: (1) she was an agent of the trust, authorized to place trades on its behalf, and (2) she was a direct beneficiary of the trust. In 1999, defendant KEVIN L. STACY was a Public Survey Manager.

3. Defendant ARNOLD L. JACK is an attorney in Ohio and is a resident of Columbus, Ohio. Defendant ARNOLD L. JACK and defendant ROGER D. BLACKWELL have been close friends and business associates for about 40 years. In addition, defendant ARNOLD L. JACK and defendant ROGER D. BLACKWELL are equal partners of defendant BLACK JACK ENTERPRISES and are partners in other investments.

4. Defendant JUSTIN VOSS is a retired university

professor. Defendant JUSTIN VOSS and defendant ROGER D. BLACKWELL have known each other since 1955. In 1999, defendant JUSTIN VOSS had at least two residences, one in Washington, D. C., and the other in Chazy, New York.

5. Defendant BLACK JACK ENTERPRISES is an Ohio partnership. Defendants ROGER D. BLACKWELL and ARNOLD L. JACK are equal partners in that partnership.

UNINDICTED CO-CONSPIRATORS

6. Unindicted co-conspirator A is a businessman. Unindicted co-conspirator A is a close personal friend of ROGER D. BLACKWELL and has been for more than ten years. On or about September 20, 1999, defendant ROGER D. BLACKWELL provided unindicted co-conspirator A with material, nonpublic information regarding Worthington Foods. Based on that tip, unindicted co-conspirator A bought a total of 15,000 shares of Worthington Foods stock on September 20, 1999 at a cost of over \$183,000. Unindicted co-conspirator A sold all his shares of Worthington Foods stock in early November 1999 at a realized profit of slightly over \$168,000.

7. Unindicted co-conspirator B was related by marriage to defendant ROGER D. BLACKWELL during 1999. At least on August 11, 1999, August 27, 1999, and again on August 28, 1999, defendant ROGER D. BLACKWELL provided material, nonpublic information regarding Worthington Foods to unindicted co-conspirator B. Defendant ROGER D. BLACKWELL and unindicted co-conspirator B then provided unindicted co-conspirator C with material, nonpublic information regarding Worthington Foods on August 11, 1999 and August 28, 1999. On August 28, 1999, defendant ROGER D. BLACKWELL and unindicted co-conspirator B also provided unindicted co-conspirator C with \$20,000 with which to purchase shares of Worthington Foods stock.

8. Unindicted co-conspirator C is related to unindicted co-conspirator B. In August 1999, unindicted co-conspirator C used the \$20,000 given to unindicted co-conspirator C by defendant ROGER D. BLACKWELL and unindicted co-conspirator B, and other funds to purchase a total of 1,800 shares of Worthington Foods stock at a cost of about \$24,000. Unindicted co-conspirator C sold all the shares of Worthington Foods in December 1999 at a profit of slightly more than \$19,000.

9. Unindicted co-conspirator D is related to defendant ROGER D. BLACKWELL. On or about September 9 or 10, 1999, defendant ROGER D. BLACKWELL provided material, nonpublic information regarding Worthington Foods to unindicted co-conspirator D. On September 13, 1999, September 20, 1999, and September 24, 1999, unindicted co-conspirator D bought 1,000 shares of Worthington Foods stock on each of those days at a total cost of slightly more than \$37,000. Unindicted co-conspirator D sold all of those Worthington Foods shares in October 1999 for a profit of about \$32,000.

10. Unindicted co-conspirator E is related to defendant ROGER D. BLACKWELL. At least on or about August 30, 1999, defendant ROGER D. BLACKWELL provided material, nonpublic information regarding Worthington Foods to unindicted co-conspirator E. On August 30, 1999 unindicted co-conspirator E bought 168 shares of Worthington Foods stock. On September 20, 1999 unindicted co-conspirator E bought 200 additional shares of Worthington Foods. The 388 shares of Worthington Foods stock, which were purchased by unindicted co-conspirator E at a cost of about \$5,000, were sold in December 1999 at a profit of about \$4,300.

OTHER ENTITIES

11. Worthington Foods, Inc. is a wholly owned subsidiary of

Kellogg Company (Kellogg). It produces meat alternative food products made from soy and wheat proteins. Worthington Foods was a publicly traded corporation headquartered in Worthington, Ohio, until its acquisition by Kellogg in the fall of 1999. Worthington Foods securities were registered under §12(g) of the Securities Exchange Act of 1934. Its common stock was traded on the Nasdaq National Market and its options were traded on the Philadelphia Stock Exchange. From August 1 to September 30, 1999, Worthington Foods stock traded in the \$11 ¹⁵/₁₆ to \$14 ³/₈ range.

12. In August and September 1999, Worthington Foods had a policy that prohibited employees and directors from trading in Worthington Foods securities while in possession of material, nonpublic information about the company. Worthington Foods' policy also prohibited employees and directors from communicating material non-public information about the company to third parties or from using material, nonpublic information about the company for their personal benefit. In addition, Worthington Foods required all executives and directors to seek approval prior to engaging in transactions in Worthington Foods securities. As a member of the Board, defendant ROGER D. BLACKWELL was aware of, and was bound by, these policies.

13. Kellogg, a Delaware corporation headquartered in Michigan, and its subsidiaries manufacture and market ready-to-eat cereal and convenience food products. The company's products are generally marketed under the Kellogg name and are sold to the grocery trade for resale to consumers.

14. The Roger Blackwell Associates, Inc. Pension Plan Trust was a defined benefit plan created for the benefit of employees of Roger Blackwell Associates, Inc. In at least 1999, defendant ROGER D. BLACKWELL was the sole trustee of the pension plan. In September 1999, at least defendant KELLEY L. HUGHES and unindicted co-conspirator B were beneficiaries of the plan.

Defendant KELLEY L. HUGHES, after receiving material, nonpublic information about Worthington Foods, bought 5,000 shares of Worthington Foods stock in one pension plan stockbrokerage account and an additional 300 shares of Worthington Foods stock in a second stockbrokerage account for the pension plan on September 30, 1999. These 5,300 shares were purchased at a cost of approximately \$65,000. Defendant KELLEY L. HUGHES sold all the Worthington Foods shares from the pension plan account in October 1999 for a profit of slightly more than \$57,000.

GENERAL ALLEGATIONS

15. At all times material to this Indictment, the laws of the United States in §10(b) of the Securities Exchange Act of 1934, codified at Title 15, United States Code, §78(j) and Rule 10b-5 of the Securities Exchange Commission, codified at Title 17, Code of Federal Regulations, §240.10b-5, provided that it shall be unlawful to employ any device, scheme, or artifice to defraud in connection with the purchase or sale of any security.

16. Beginning no later than in or about June 1999 and continuing through the date of this Indictment, the exact dates unknown to the grand jury, in the Southern District of Ohio and elsewhere, defendants ROGER D. BLACKWELL, KELLEY L. HUGHES, KEVIN L. STACY, ARNOLD L. JACK, JUSTIN VOSS, BLACK JACK ENTERPRISES, and others, including unindicted co-conspirators A, B, C, D, and E, in connection with the purchase and sale of securities, specifically Worthington Foods common stock, knowingly and willfully and by use of instrumentalities of interstate commerce, employed a device, scheme or artifice to defraud, and engaged in acts, practices and a course of business which would and did operate as fraud and deceit upon purchasers and prospective purchasers of Worthington Foods common stock (collectively hereafter referred to as the scheme to defraud).

17. It was part of the scheme to defraud that defendant ROGER D. BLACKWELL, in his capacity as a member of the Board of Directors of Worthington Foods, obtained material, nonpublic information about the acquisition of Worthington Foods, including Kellogg's acquisition of Worthington Foods. While in possession of, and without publicly disclosing, this information about an acquisition of Worthington Foods, communicated material, nonpublic information about Worthington Foods to defendants KELLEY L. HUGHES, ARNOLD L. JACK, JUSTIN VOSS, and BLACK JACK ENTERPRISES. In turn, defendant KELLEY L. HUGHES "tipped" her husband, defendant KEVIN L. STACY, about the material, nonpublic information regarding Worthington Foods that defendant KELLEY L. HUGHES received from defendant ROGER D. BLACKWELL.

18. It was further part of the scheme to defraud that defendant ROGER D. BLACKWELL disclosed material, nonpublic information about Worthington Foods to others, including unindicted co-conspirators A, B, C, D, and E.

19. As discussed more fully below, it was part of the scheme to defraud that defendants ROGER D. BLACKWELL, KELLEY L. HUGHES, ARNOLD L. JACK, JUSTIN VOSS, BLACK JACK ENTERPRISES, and others, including unindicted co-conspirators A, B, C, D, and E, while in possession of, and without publicly disclosing, the material, nonpublic information communicated or "tipped" to them by defendant ROGER D. BLACKWELL, or in the case of defendant KEVIN L. STACY by defendant KELLEY L. HUGHES after she had been "tipped" by defendant ROGER D. BLACKWELL, purchased and caused to be purchased shares of common stock of Worthington Foods. These defendants and others, including unindicted co-conspirators A, C, D, and E subsequently sold their shares of Worthington Foods common stock at substantial profits subsequent to the public announcement of the acquisition of Worthington Foods by Kellogg.

20. It was further part of the scheme to defraud that

defendants ROGER D. BLACKWELL, KELLEY L. HUGHES, KEVIN L. STACY, ARNOLD L. JACK, JUSTIN VOSS, BLACK JACK ENTERPRISES, and others, including unindicted co-conspirators A, B, C, D, and E, directly and indirectly, used, and caused the use of instrumentalities of interstate commerce, specifically wire communications, to place, effect and confirm the purchases and sales of Worthington Foods common stock and used a national exchange, specifically the Nasdaq National Market, to make those purchases and sales.

21. It was further part of the scheme to defraud that defendants ROGER D. BLACKWELL, KELLEY L. HUGHES, KEVIN STACY, ARNOLD L. JACK, JUSTIN VOSS, BLACK JACK ENTERPRISES, and others, including unindicted co-conspirators A, B, and C, did misrepresent, conceal and hide, and cause to be misrepresented, concealed and hidden, the purpose of the acts done in furtherance of the scheme.

22. As discussed more fully below, defendants ROGER D. BLACKWELL, KELLEY L. HUGHES, KEVIN STACY, ARNOLD L. JACK, JUSTIN VOSS, BLACK JACK ENTERPRISES, and others, including unindicted co-conspirators A, B, C, D, and E, benefitted as a result of the scheme.

23. In late December 1998 and early January 1999, various corporations had expressed a serious interest in acquiring Worthington Foods or entering into some other form of business combination with Worthington Foods. In fact, in late December 1998, a major corporation located in Omaha, Nebraska, had been negotiating with executives from Worthington Foods and had expressed a willingness to purchase Worthington Foods at a price of \$23 to \$25 per share. Defendant ROGER D. BLACKWELL was aware of this proposed offer.

24. On July 8, 1999, Kellogg's representatives contacted Worthington Foods Chairman, President, and Chief Executive Officer (hereinafter CEO) to discuss the possibility of a

business combination. On July 16, 1999, top Kellogg officials met with the CEO and other Worthington Foods officials to execute a confidentiality agreement. On July 20, 1999, during a regularly scheduled meeting of the Board of Directors (hereinafter the Board), the CEO informed the Board of the ongoing discussion with Kellogg. At that meeting, the Board authorized management to engage an investment banker. In addition, the Worthington Foods policy against the communication of material, nonpublic information (i.e. "Inside Information") was discussed at this and other Board meetings. Defendant ROGER D. BLACKWELL attended this and all Board meetings in July, August, and September of 1999, appearing in person or by telephone.

25. On August 10, 1999, the CEO and Worthington Foods officials discussed pricing the deal at 0.76 Kellogg share per Worthington Foods share (\$26.08 per Worthington Foods share). On August 11, 1999, during a special telephonic meeting, the Board authorized the negotiation of a definitive merger agreement. Soon thereafter, Worthington Foods formally engaged an investment banker. On August 24, 1999, Worthington Foods began its due diligence process.

26. On August 26, 1999, during a special telephonic meeting, the Board authorized management to pursue an all cash transaction. On August 30, 1999, Kellogg delivered to Worthington Foods an initial draft of the merger agreement. On September 8, 1999, the Board met with legal counsel to review the merger agreement. On September 23, 1999, the CEO and Kellogg officials agreed to a price of \$24.00 per share for Worthington Foods stock. The next day, on September 24, 1999, the Board held a special meeting during which the directors authorized management to complete the definitive merger agreement at the \$24.00 share price. Copies of the merger agreement were sent to the Worthington Foods directors on September 27, 1999.

27. On September 29, 1999, the Board met and approved the merger agreement. The parties executed the merger agreement by the end of the day on September 30, 1999. On the morning of October 1, 1999, the parties issued a press release announcing the merger agreement in which Kellogg would pay \$24.00 for each share of Worthington Foods stock. Worthington Foods stock price closed on October 1, 1999, at \$23 ¹/₁₆, up \$8.75 or 61.4% from the prior day's closing.

28. Defendant ROGER D. BLACKWELL was aware of Worthington Foods well-established policy and prohibitions against insider trading. Defendant ROGER D. BLACKWELL also knew that, as a member of the Boards of Directors of Worthington Foods and other companies, he was prohibited from providing to others material, nonpublic information about Worthington Foods. As set forth more fully below, defendant ROGER D. BLACKWELL repeatedly breached his duty of trust and confidence to Worthington Foods and its shareholders by disclosing, or causing the disclosure of, material, nonpublic information to at least defendants KELLEY L. HUGHES, KEVIN L. STACY, ARNOLD L. JACK, JUSTIN VOSS, BLACK JACK ENTERPRISES, and others, including unindicted co-conspirators A, B, C, D, and E. Moreover, defendant ROGER D. BLACKWELL improperly benefitted, directly and indirectly, by disclosing that information. Additionally, each of the defendants and others, including unindicted co-conspirators A, C, D, and E, that defendant ROGER D. BLACKWELL tipped, improperly benefitted by trading on the information.

29. In or about November 2000, the Midwest Regional Office of the United States Securities and Exchange Commission (hereinafter the "Commission" or the "SEC"), an agency of the United States, was investigating the trading in the securities of Worthington Foods which occurred in advance of the October 1, 1999 public announcement of the merger between Worthington Foods

and Kellogg. The SEC was investigating the trading by the defendants and others, including unindicted co-conspirators A, C, D, and E. The investigation focused on whether any such trades were made in violation of federal securities laws and regulations that prohibit trading on the basis of material, nonpublic information. The investigation, among other things, sought to determine whether any material, nonpublic information was communicated to any of the defendants or others, including unindicted co-conspirators A, B, C, D, and E, causing them to trade in the securities of Worthington Foods.

30. In the SEC investigation, the Commission subpoenaed documents and took sworn investigative testimony. Included among the persons subpoenaed for documents and testimony were defendants ROGER D. BLACKWELL, KELLEY L. HUGHES, KEVIN L. STACY, ARNOLD L. JACK, JUSTIN VOSS, and others, including unindicted co-conspirators B, C, D, and E. Each of the aforementioned individuals was represented by counsel at their sworn SEC testimony and, prior to testifying, each was warned of the consequences of giving false or misleading testimony.

31. Defendants ROGER D. BLACKWELL, KELLEY L. HUGHES, KEVIN L. STACY, ARNOLD L. JACK, JUSTIN VOSS, and unindicted co-conspirators B and C, among other things, attempted to evade and obstruct, and evaded and obstructed, the investigation of the United States Securities and Exchange Commission and also made false statements, and provided false and misleading information. These individuals made evasive, obstructive, and misleading statements regarding, among other things, defendant ROGER D. BLACKWELL's communication of material, nonpublic information to each of them and their trading in the securities of Worthington Foods while in possession of that "inside information," all in an effort to conceal or cover up the scheme to defraud.

32. The National Association of Securities Dealers (the

"NASD") is a self-regulatory organization. On or about December 1999 in connection with its duties, the NASD requested that Worthington Foods and Kellogg inquire of defendant ROGER D. BLACKWELL, among others, regarding the pattern of suspicious trading in the securities of Worthington Foods. In defendant ROGER D. BLACKWELL's responses to Worthington Foods and Kellogg, who were inquiring on behalf of the NASD, defendant ROGER D. BLACKWELL attempted to, and did, evade and mislead the NASD in connection with its inquiry in order to conceal and cover up the scheme to defraud.

KELLEY L. HUGHES and KEVIN L. STACY

33. Defendant KELLEY L. HUGHES has worked for ROGER D. BLACKWELL for over ten years. On or about September 24, 1999, defendant ROGER D. BLACKWELL caused Roger Blackwell Associates, Inc. to loan to defendant KELLEY L. HUGHES \$30,000 dollars, interest free. Defendant KELLEY L. HUGHES and defendant KEVIN L. STACY are husband and wife.

34. On August 31, 1999, defendant ROGER D. BLACKWELL performed defendant KELLEY L. HUGHES's year-end performance review. Defendant ROGER D. BLACKWELL provided material, nonpublic information concerning Kellogg's proposed acquisition of Worthington Foods to defendant KELLEY L. HUGHES during that meeting and at other times in September 1999 unknown to the Grand Jury. Shortly after her year-end review, and at other various times in September 1999 unknown to the Grand Jury, defendant KELLEY L. HUGHES disclosed material, nonpublic information concerning the Kellogg's acquisition of Worthington Foods to defendant KEVIN L. STACY and the Roger Blackwell Associates, Inc. Pension Plan Trust.

35. On September 1, 1999, the day after defendant KELLEY L. HUGHES was "tipped" by defendant ROGER D. BLACKWELL regarding

material, nonpublic information regarding Worthington Foods, defendants KELLEY L. HUGHES and KEVIN L. STACY began purchasing Worthington Foods stock. As the month progressed, defendants KELLEY L. HUGHES and KEVIN L. STACY accelerated their purchasing of Worthington Foods stock to such a degree that, by September 22, 1999, they had invested virtually all of their available funds, as well as the \$30,000 in funds she borrowed from defendant ROGER D. BLACKWELL through Roger Blackwell Associates, Inc., in Worthington Foods stock. To make their purchases, they liquidated positions in other securities, including the stock of another company for whom defendant ROGER D. BLACKWELL served on the Board of Directors, money market accounts, and bank accounts. Also included in the funds used for their purchases of Worthington Foods stock were funds set aside for the purchase of a new home.

36. In the six months prior to September 1999, defendants KELLEY L. HUGHES and KEVIN L. STACY had not placed a single trade in the stock market. Prior to September 1999, they had made only three small purchases of Worthington Foods stock, the most recent of which was made in February 1999 for 250 shares. In total, defendant KELLEY L. HUGHES and defendant KEVIN L. STACY purchased 10,286 shares of Worthington Foods stock, which cost them \$129,655, their largest investment ever in a single stock. During the course of these purchases, defendants KEVIN L. STACY and KELLEY L. HUGHES also opened new brokerage accounts to make additional purchases of Worthington Foods stock.

37. On September 24, 1999, the day the Worthington Foods Board authorized the negotiations of a definitive merger agreement with Kellogg, and after defendants KELLEY L. HUGHES and KEVIN L. STACY invested virtually all of their liquid assets in Worthington Foods stock, defendant ROGER D. BLACKWELL caused Roger Blackwell Associates, Inc. to loan \$30,000 to defendant

KELLEY L. HUGHES.

38. Defendants KELLEY L. HUGHES and KEVIN L. STACY used the \$30,000 from defendant ROGER D. BLACKWELL to purchase more Worthington Foods stock.

39. In addition to this \$30,000 loan, defendant KELLEY L. HUGHES and KEVIN L. STACY purchased several thousand dollars worth of Worthington Foods common stock on margin for a short period of time in late September 1999. Buying stock on margin is the practice of buying stock with money borrowed from the stockbrokerage company. It is a debt owed by the investor to the stockbrokerage company and secured by the stock that was purchased with the borrowed funds. The use of margin to purchase stock increases the risks to the investor because, among other things, if the collateral used to borrow the money from the stockbrokerage firm decreases in value, the investor must provide additional collateral or risk having the remaining collateral taken by the stockbrokerage firm in repayment of the loan.

40. In connection with his purchases of Worthington Foods common stock, defendant KEVIN L. STACY was aware that the material, nonpublic information communicated to his wife by defendant ROGER D. BLACKWELL, and then from defendant KELLEY L. HUGHES to defendant KEVIN L. STACY, was communicated in breach of a duty of trust and confidence by defendant ROGER D. BLACKWELL in defendant ROGER D. BLACKWELL's position as a Director of Worthington Foods.

41. On October 4, 1999, Defendants KELLEY L. HUGHES and KEVIN L. STACY liquidated their positions in Worthington Foods, realizing a profit of \$104,954 on their September 1999 purchases. The very next month, they used these profits from trading in Worthington Foods stock to make a \$188,000 down payment on a new home costing \$388,000 in the Clintonville area of Columbus, Ohio.

42. Defendants KELLEY L. HUGHES and KEVIN L. STACY both

testified in the SEC investigation of Worthington Foods. Defendants KELLEY L. HUGHES and KEVIN L. STACY testified on November 21, 2000, and defendant KELLEY L. HUGHES testified again on May 15, 2002.

43. Both defendant KELLEY L. HUGHES and defendant KEVIN L. STACY attempted to evade and obstruct, and evaded and obstructed, and gave false testimony in the SEC investigation.

44. Defendant KELLEY L. HUGHES also "tipped" the Roger Blackwell Associates Inc. Pension Plan Trust. She communicated the material, nonpublic information about Worthington Foods which had been communicated to her by defendant ROGER D. BLACKWELL to the pension plan.

45. Defendants KELLEY L. HUGHES and ROGER D. BLACKWELL each had trading authority to make trades on behalf of the Roger Blackwell Associates Inc. Pension Plan Trust in the plan's brokerage accounts during September 1999.

46. In September 1999, defendant KELLEY L. HUGHES caused the Roger Blackwell Associates Inc. Pension Plan Trust to purchase 5,300 shares of Worthington Foods stock. Specifically, on September 27, 1999, defendant KELLEY L. HUGHES caused the pension plan to purchase 5,000 shares of Worthington Foods stock at a price of \$12.125 per share, for a total cost of \$61,028.95 and, in a different account with a different stockbroker, to purchase an additional 300 shares at a price of \$12.0625 per share, for a total cost of \$3,691.46. These were the first trades KELLEY L. HUGHES had ever placed on behalf of the Roger Blackwell Associates Inc. Pension Plan Trust. Defendant ROGER D. BLACKWELL received confirmation of these trades.

47. On October 4, 1999, the pension plan sold 5,300 shares of Worthington Foods stock at a price of \$23.0625 per share, for a profit of \$57,023.29.

ARNOLD L. JACK

48. Defendant ARNOLD L. JACK and defendant ROGER D. BLACKWELL have been business associates and friends for about 40 years. Defendant ARNOLD L. JACK, a lawyer in Ohio, has represented defendant ROGER D. BLACKWELL in the past. They have also jointly owned real estate and are partners in, among other things, defendant BLACK JACK ENTERPRISES. Additionally, defendant ROGER D. BLACKWELL has, on occasion, provided expensive gifts to defendant ARNOLD L. JACK. For instance, defendant ROGER D. BLACKWELL used frequent flier miles to provide a trip to Europe to defendant ARNOLD L. JACK and JACK's wife. Defendant ROGER D. BLACKWELL had provided expensive trips to defendant ARNOLD L. JACK on other occasions.

49. On September 7, 1999 at 1:43 p.m., defendant ARNOLD L. JACK made a seven minute call on his cellular phone to defendant ROGER D. BLACKWELL's office at Roger Blackwell Associates, Inc. Only defendant ROGER D. BLACKWELL and another employee were present at the office at the time of the call. Defendant ROGER D. BLACKWELL provided material, nonpublic information concerning the Worthington Foods acquisition to defendant ARNOLD L. JACK during that phone call and on other occasions unknown to the Grand Jury. Immediately following that telephone call, at 1:50 p.m., defendant ARNOLD L. JACK placed a five-minute call on his cell phone to one of his Columbus, Ohio, stockbrokers. During that call, defendant ARNOLD L. JACK placed a buy order for 1,000 shares of Worthington Foods stock. Over the next two days, defendant ARNOLD L. JACK purchased an additional 1,500 share of Worthington Foods stock.

50. In late September 1999, defendant ROGER D. BLACKWELL used frequent flier miles to provide defendant ARNOLD L. JACK and his wife a trip to Europe. On September 22 and 23, 1999, defendants ROGER D. BLACKWELL and ARNOLD L. JACK were both in

Monaco, staying at the same hotel and dining together. Defendant ROGER D. BLACKWELL again provided material, nonpublic information concerning the Worthington Foods acquisition to defendant ARNOLD L. JACK during their stay in Monaco. Upon defendant ARNOLD L. JACK's return to Ohio from Monaco, defendant ARNOLD L. JACK purchased an additional 500 shares of Worthington Foods stock on September 27, 1999.

51. On October 1st and 12th, 1999, defendant ARNOLD L. JACK sold all of his shares of Worthington Foods stock for a profit of more than \$31,000.

52. Defendant ROGER D. BLACKWELL and defendant ARNOLD L. JACK each own 50% of defendant BLACK JACK ENTERPRISES, an Ohio general partnership they use for investment purchases. Defendant ROGER D. BLACKWELL routinely received brokerage account statements and trade confirmations for defendant BLACK JACK ENTERPRISES's brokerage accounts. In addition, defendant ROGER D. BLACKWELL routinely reported his share of the defendant BLACK JACK ENTERPRISES's profits in his tax returns each year.

53. On September 8th and 9th, 1999, defendant ARNOLD L. JACK placed two orders on behalf of defendant BLACK JACK ENTERPRISES to purchase 2,500 shares of Worthington Foods common stock. The orders were placed one and two days, respectively, after defendant ARNOLD L. JACK's September 7, 1999, seven-minute phone call to defendant ROGER D. BLACKWELL. Defendant ARNOLD L. JACK utilized a different broker than he had used for his own trades in Worthington Foods.

54. Defendant ARNOLD L. JACK testified in the SEC investigation on November 29, 2000. In the course of that testimony, defendant ARNOLD L. JACK attempted to evade and obstruct, and evaded and obstructed, and gave false, misleading, and evasive answers to questions posed to him by the SEC.

JUSTIN VOSS

55. Defendant JUSTIN VOSS and defendant ROGER D. BLACKWELL have known each other since 1955. They attended high school and graduate school together. Defendant ROGER D. BLACKWELL is one of defendant JUSTIN VOSS's oldest friends.

56. During the time between June 1999 and defendant JUSTIN VOSS's first purchase of Worthington Foods stock on or about September 13, 1999, and at other times unknown to the Grand Jury, defendant ROGER D. BLACKWELL communicated material, nonpublic information about Worthington Foods to defendant JUSTIN VOSS. In September 1999, defendant JUSTIN VOSS, while in possession of material, nonpublic information, wanted to accumulate a substantial position of Worthington Foods stock by the end of September 1999. Defendant JUSTIN VOSS had a plan to accumulate the substantial position in Worthington Foods stock in small enough increments so as to not move the market price of the stock upward because defendant JUSTIN VOSS knew that Worthington Foods was a thinly traded stock.

57. While in possession of this material, nonpublic information, during the period between September 13, 1999 and September 29, 1999, defendant JUSTIN VOSS purchased 38,000 shares of Worthington Foods common stock at a cost of more than \$475,000. Of those shares, 25,000 shares of Worthington Foods stock were purchased on margin. In 1999, defendant JUSTIN VOSS sold his Worthington Foods stock for a profit of over \$417,000.

58. Prior to his September 1999 purchases of Worthington Foods stock, defendant JUSTIN VOSS did not own any shares of that company. The purchases of Worthington Foods were not purchases suggested by defendant VOSS's stockbroker. At the time of the Worthington Foods purchases by defendant JUSTIN VOSS, his stockbroker had never heard of Worthington Foods and his brokerage firm did not follow the stock.

59. When the stockbroker for defendant JUSTIN VOSS learned of Worthington Foods being acquired on or about October 1, 1999, he spoke with defendant JUSTIN VOSS. During that conversation, the stockbroker informed defendant JUSTIN VOSS that he was sure that defendant JUSTIN VOSS's purchases of Worthington Foods stock would be investigated because of the timing of the purchases.

THE CONSPIRACY

60. Beginning on or about June 1999 and continuing through the date of this Indictment, within the Southern District of Ohio and elsewhere,

ROGER D. BLACKWELL,
KELLEY L. HUGHES,
KEVIN L. STACY,
ARNOLD L. JACK,
JUSTIN VOSS, and
BLACK JACK ENTERPRISES

defendants herein, and others, including unindicted co-conspirators A, B, C, D, and E, conspired, combined, confederated, and agreed with each other and with diverse other persons, both known and unknown to the grand jury, to commit offenses against the United States, namely to willfully use and employ, by use of the means and instrumentalities of interstate commerce and of the facilities of a national securities exchange, directly and indirectly, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivance, in contravention of Title 17, Code of Federal Regulations, §240.10b-5, by: (a) employing devices, schemes, and artifices to defraud and (b) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon other persons, all in violation of Title 15, United States Code, §§78j(b) and 78ff, and Title 17, Code of

Federal Regulations, §240.10b-5.

61. It was part of the conspiracy that the defendants and others, including unindicted co-conspirators A, B, C, D, and E, agreed to commit securities fraud by engaging in insider trading when they traded while in possession of material, nonpublic information regarding Worthington Foods, including information regarding the Kellogg acquisition of Worthington Foods. Defendant ROGER D. BLACKWELL, taking advantage of his position as a member of the Board of Directors of Worthington Foods, tipped the defendants and others, including unindicted co-conspirators A, B, C, D, and E, about the material, nonpublic information regarding Worthington Foods, including Kellogg's acquisition of Worthington Foods, before the acquisition was publicly announced. While in possession of the inside information from defendant ROGER D. BLACKWELL, and before the acquisition was publically announced, the defendants and others, including unindicted co-conspirators A, B, C, D, and E, purchased, or caused the purchase of, shares of Worthington Foods stock. Then, after the public announcement of the acquisition and after the price of the shares the defendants and unindicted co-conspirators A, C, D, and E were holding rose substantially as a result of the announcement, the defendants and others, including unindicted co-conspirators A, C, D, and E sold their shares, thereby defrauding the investing public and generating in excess of \$880,000 in illegal profits.

62. It was further a part of the conspiracy that:

(a) defendant ROGER D. BLACKWELL misappropriated material, nonpublic information he obtained while a director of Worthington Foods in violation of the fiduciary and other duties of trust and confidence he owed to Worthington Foods Board of Directors and its shareholders.

(b) In 1999, Worthington Foods had policies regarding the use and safekeeping of confidential information. For his own

benefit, and for the benefit of the defendants and others, including unindicted co-conspirators A, B, C, D, and E, with whom defendant ROGER D. BLACKWELL had close personal relationships, ROGER D. BLACKWELL disclosed this material, nonpublic information, to each of them with the understanding that the defendants and others, including unindicted co-conspirators A, B, C, D, and E, would purchase and sell, or cause the purchase or sale of, securities of Worthington Foods while in the possession of the confidential information regarding Worthington Foods.

(c) The defendants and others, including unindicted co-conspirators A, C, D, and E, while in possession of material, nonpublic information, that they knew they had received from defendant ROGER D. BLACKWELL, and that they knew ROGER D. BLACKWELL had obtained in a breach of duty of trust and confidence to keep such information confidential, purchased and sold securities and, thereby, received substantial illegal profits.

THE EFFORTS TO CONCEAL THE CONSPIRACY

63. It was further part of the conspiracy that the defendants and others, including unindicted co-conspirators A, B, and C not charged herein, concealed and hid, and caused to be concealed and hidden, the existence, purposes, and acts done in furtherance of the conspiracy.

OVERT ACTS

64. In furtherance of the conspiracy and to effect the unlawful objects of the conspiracy, the defendants and others, including unindicted co-conspirators A, B, and C, not charged herein, committed and caused to be committed at least one overt act in the Southern District of Ohio and elsewhere. The overt acts include, but are not limited to, all of the conduct described in Counts 2 through 22 of the Indictment, as well as the following conduct:

JUSTIN VOSS

65. On or about June 6, 1999, defendant ROGER D. BLACKWELL and defendant JUSTIN VOSS met in Columbus, Ohio, and discussed among other things, Worthington Foods and the interest of a corporation, headquartered in Omaha, Nebraska, in acquiring Worthington Foods.

66. Beginning on or about September 13, 1999, and continuing through on or about September 29, 1999, defendant JUSTIN VOSS initiated interstate phone calls to his broker in Florida. The purpose of each of these calls initiated by defendant JUSTIN VOSS was to effect purchases totaling 38,000 shares of Worthington Foods stock at a total cost of approximately \$477,000. Of that amount, in excess of \$300,000 of Worthington Foods stock purchases were made with borrowed funds.

67. On or about September 27, 1999, at 11:23 p.m., defendant JUSTIN VOSS initiated a two minute interstate phone call from Chazy, New York, to defendant ROGER D. BLACKWELL's home in Columbus, Ohio. On September 29, 1999, defendant Voss purchased 3,000 additional shares of Worthington Foods stock.

68. On October 29, 1999, and November 29, 1999, defendant JUSTIN VOSS, initiated interstate phone calls to a stockbroker in

Florida to effect the sale of his 38,000 shares of Worthington Foods stock. Defendant JUSTIN VOSS received approximately \$894,000 in proceeds from the sale of his shares of Worthington Foods stock, of which almost \$418,000 was profit.

69. On or before September 16, 1999, while visiting a close relative in upstate New York, defendant JUSTIN VOSS urged that relative, who had limited funds with which to invest, to purchase the stock of Worthington Foods. Defendant JUSTIN VOSS told his close relative that the price of Worthington Foods stock would go up significantly in value in the short term. This relative bought 100 shares of Worthington Foods on September 16, 1999. The relative virtually doubled his money when he sold those Worthington Foods shares in December 1999.

70. On or before September 17, 1999, defendant JUSTIN VOSS talked to a close personal friend, who resided in Stowe, Vermont, and told the friend to purchase Worthington Foods stock because the price would go up significantly in value in the short term. On September 17, 1999, the individual then purchased 1,500 of Worthington Foods stock as a cost of more than \$18,000. The individual sold his shares of Worthington Foods in December 1999, making a profit in excess of \$17,000.

KELLEY L. HUGHES
KEVIN L. STACY

71. On or about August 31, 1999, defendant KELLEY L. HUGHES and defendant ROGER D. BLACKWELL met. During that meeting, defendant ROGER D. BLACKWELL disclosed material, nonpublic information regarding Worthington Foods to defendant KELLEY L. HUGHES.

72. On September 1, 1999, defendant KELLEY L. HUGHES attempted to purchase Worthington Foods stock in her husband's, defendant KEVIN L. STACY's account. The stockbroker would not

let defendant KELLEY L. HUGHES place this trade in her husband's account.

73. On September 1, 1999, defendant KEVIN L. STACY telephoned the same stockbroker who defendant KELLEY L. HUGHES spoke with and purchased 180 shares of Worthington Foods stock.

74. On September 20, 1999, defendant KEVIN L. STACY purchased 172 shares of Worthington Foods stock using a second stockbrokerage firm.

75. On the same day, September 20, 1999, using the same stockbroker, defendant KELLEY L. HUGHES purchased 354 shares of Worthington Foods stock.

76. On September 21, 1999, defendant KELLEY L. HUGHES contacted a different stockbroker than the one she used on September 20, 1999 and purchased 382 shares of Worthington Foods stock.

77. On September 22, 1999, defendant KELLEY L. HUGHES and defendant KEVIN L. STACY purchased 6,250 shares of Worthington Foods stock in a joint account. Due to the number of shares purchased, the stockbroker requested that defendant KELLEY L. HUGHES and defendant KEVIN L. STACY update certain account information. Defendant KELLEY L. HUGHES and defendant KEVIN L. STACY provided the updated information to the stockbroker to enable them to make additional purchases of Worthington Foods stock with that stockbroker.

78. On September 24, 1999, defendant KELLEY L. HUGHES received a \$30,000 check from Roger Blackwell Associates, Inc., that was signed by ROGER D. BLACKWELL. Defendant KELLEY L. HUGHES utilized at least some of this \$30,000 to purchase Worthington Foods stock.

79. On or about September 29, 1999, defendant KELLEY L. HUGHES and defendant KEVIN L. STACY each opened a new brokerage account with different stockbrokerage firms, neither firm being

utilized previously by either defendant KELLEY L. HUGHES or defendant KEVIN L. STACY. On that same day, defendant KELLEY L. HUGHES purchased 100 shares of Worthington Foods stock and defendant KEVIN L. STACY purchased 2,100 shares of Worthington Foods stock in the brand new accounts.

80. On September 30, 1999, defendant KELLEY L. HUGHES and defendant KEVIN L. STACY purchased another 628 shares of Worthington Foods stock in their joint account through one of the Columbus, Ohio, stockbrokers.

81. On that same day, September 30, 1999, defendant KEVIN L. STACY also purchased an additional 120 shares of Worthington Foods stock in one of his accounts through one of the other Columbus, Ohio, stockbrokers.

82. On September 27, 1999, defendant KELLEY L. HUGHES caused the Roger Blackwell Associates Inc. Pension Plan Trust, to purchase a total of 5,300 shares of Worthington Foods stock utilizing two brokerage firms.

83. On or about October 4, 1999 and October 5, 1999, defendants KELLEY L. HUGHES and KEVIN L. STACY sold their 10,286 shares of Worthington Foods stock for a profit of approximately \$105,000.

84. On or about October 4, 1999, defendant KELLEY L. HUGHES caused the sale of 5,300 shares of Worthington Foods stock previously purchased in the name of the Roger Blackwell Associates Inc. Pension Plan Trust, for a profit exceeding \$57,000.

ARNOLD L. JACK AND BLACK JACK ENTERPRISES

85. On September 7, 1999 at 1:43 p.m., defendant ARNOLD L. JACK made a seven minute call on his cellular phone to defendant ROGER D. BLACKWELL's office at Roger Blackwell Associates, Inc. Defendant ROGER D. BLACKWELL disclosed material, nonpublic

information about the acquisition of Worthington Foods to defendant ARNOLD L. JACK during that call.

86. Immediately following that telephone call, at 1:50 p.m., defendant ARNOLD L. JACK placed a five-minute call on his cell phone to one of his Columbus, Ohio stockbrokers. During that call, defendant ARNOLD L. JACK placed a buy order for 1,000 shares of Worthington Foods stock. Over the next two days, defendant ARNOLD L. JACK purchased an additional 1,500 shares of Worthington Foods stock.

87. On September 8, 1999, defendant ARNOLD L. JACK contacted a different Columbus, Ohio, stockbroker than the one used for the September 7, 1999 purchase, and placed orders to purchase 1,500 additional shares of Worthington Foods stock.

BLACK JACK ENTERPRISES

88. On September 8, 1999 and on September 9, 1999, defendant ARNOLD L. JACK also placed two orders on behalf of defendant BLACK JACK ENTERPRISES to purchase 2,500 shares of Worthington Foods common stock. These orders were placed, respectively, one and two days after defendant ARNOLD L. JACK's September 7, 1999, seven-minute phone call to defendant ROGER D. BLACKWELL.

89. On or about September 22, 1999 and September 23, 1999, defendants ROGER D. BLACKWELL and ARNOLD L. JACK were both in Monaco, staying at the same hotel and dining together. Defendant ROGER D. BLACKWELL again provided material, nonpublic information concerning the Worthington Foods acquisition to defendant ARNOLD L. JACK during their stay in Monaco. Upon his return to Ohio from Monaco, on September 27, 1999, defendant ARNOLD L. JACK purchased an additional 500 shares of Worthington Foods stock.

90. On or about October 1, 1999, and continuing through at least October 12, 1999, defendant ARNOLD L. JACK sold all of the

shares of Worthington Foods stock in his personal accounts and in the account of defendant BLACK JACK ENTERPRISES. Defendant ARNOLD L. JACK's own profits from the sales were over \$31,000. The realized profits of defendant BLACK JACK ENTERPRISES from its sales of Worthington Foods stock were almost \$27,000.

ROGER D. BLACKWELL

91. In or about July and August 1999, defendant ROGER D. BLACKWELL communicated material, nonpublic information about, among other things, the acquisition of Worthington Foods to unindicted co-conspirator B.

92. On or about August 11, 1999, defendant ROGER D. BLACKWELL, in his capacity as a member of the Worthington Foods Board of Directors, received a telephone call regarding the acquisition of Worthington Foods. Following the phone call, defendant ROGER D. BLACKWELL provided material, nonpublic information about Worthington Foods to unindicted co-conspirator B.

93. On or about August 11, 1999, defendant ROGER D. BLACKWELL and unindicted co-conspirator B conceived of a plan in which unindicted co-conspirator B would provide material, nonpublic information regarding Worthington Foods to certain family members, including unindicted co-conspirator C. Unindicted co-conspirator B then telephoned unindicted co-conspirator C and disclosed the material, nonpublic information about Worthington Foods.

94. On or about August 16, 1999, based upon the disclosure by defendant ROGER D. BLACKWELL of the material, nonpublic information regarding Worthington Foods, unindicted co-conspirator C purchased 300 shares of Worthington Foods stock at a total cost of just over \$4,000.

95. On or about August 27, 1999, defendant ROGER D.

BLACKWELL disclosed additional material, nonpublic information to co-conspirator B. During that same conversation defendant ROGER D. BLACKWELL and unindicted co-conspirator B agreed upon a plan to provide certain family members, including unindicted co-conspirator C, with \$20,000 to invest in Worthington Foods stock in order to enable those family members to take advantage of the material, nonpublic information regarding the acquisition of Worthington Foods.

96. On or about August 28, 1999, defendant ROGER D. BLACKWELL and unindicted co-conspirators B and C met at the home of defendant ROGER D. BLACKWELL in Columbus, Ohio. During that meeting, material, nonpublic information regarding Worthington Foods was disclosed to unindicted co-conspirator C, in the presence of, and with the approval of, defendant ROGER D. BLACKWELL.

97. On or about August 28, 1999, defendant ROGER D. BLACKWELL and unindicted co-conspirator B gave \$20,000 to unindicted co-conspirator C for the purpose of purchasing Worthington Foods stock.

98. The \$20,000 paid to unindicted co-conspirator C by defendant ROGER D. BLACKWELL was paid in the form of checks, including an \$8,000 check from a third party corporation and a \$6,000 check from another third party, both payable to defendant ROGER D. BLACKWELL. Defendant ROGER D. BLACKWELL endorsed both of these checks. Additional checks, including one drawn on the joint bank account of defendant ROGER D. BLACKWELL and unindicted co-conspirator B, were given to unindicted co-conspirator C to make up the remaining \$6,000 balance. Subsequently, unindicted co-conspirator C deposited all of the checks into unindicted co-conspirator C's bank account for the purpose of purchasing Worthington foods stock.

99. On or about August 30, 1999, based upon the disclosure

by defendant ROGER D. BLACKWELL of the material, nonpublic information regarding Worthington Foods, and using the \$20,000 provided by defendant ROGER D. BLACKWELL and unindicted co-conspirator B, unindicted co-conspirator C purchased an additional 1,500 shares of Worthington Foods stock for a cost of \$19,754. All of unindicted co-conspirator C's shares subsequently sold in December 1999 for a profit of just over \$19,000.

100. On or about the period between September 8, 1999, and September 9, 1999, defendant ROGER D. BLACKWELL visited unindicted co-conspirator D. During this visit, defendant ROGER D. BLACKWELL communicated material, nonpublic information regarding the acquisition of Worthington Foods to unindicted co-conspirator D. On September 13, 1999, unindicted co-conspirator D purchased 1,000 shares of Worthington Foods stock. Unindicted co-conspirator D also purchased 1,000 shares of Worthington Foods stock on September 20, 1999 and 1,000 shares of Worthington Foods stock on September 21, 1999.

101. On or about September 20, 1999, defendant ROGER D. BLACKWELL spoke by telephone with unindicted co-conspirator A, and revealed material, nonpublic information regarding the Worthington Foods acquisition. Included in the nonpublic information was the fact that Worthington Foods was going to be acquired, that the purchase price would be in the low to mid "20's," and the identity of the acquiring company.

102. During the September 20, 1999 telephone call between defendant ROGER D. BLACKWELL and unindicted co-conspirator A, defendant ROGER D. BLACKWELL told unindicted co-conspirator A to be careful when making any purchases of Worthington Foods stock because it was thinly traded.

103. On or about September 20, 1999, based upon the disclosure by defendant ROGER D. BLACKWELL of the material,

nonpublic information regarding Worthington Foods, unindicted co-conspirator A purchased 15,000 shares of Worthington Foods stock at a total cost of just over \$183,000. These shares subsequently sold in November 1999 for a profit of just over \$168,000.

104. On or about September 24, 1999, defendant ROGER D. BLACKWELL caused Roger Blackwell Associates, Inc. to loan defendant KELLEY L. HUGHES \$30,000 by means of a check to defendant KELLEY L. HUGHES from the account of Roger Blackwell Associates, Inc. Defendant ROGER D. BLACKWELL signed the check, which defendant KELLEY L. HUGHES subsequently used, at least in part, to purchase Worthington Foods stock.

105. On or about August 1999, defendant ROGER D. BLACKWELL spoke by telephone with unindicted co-conspirator E, and conveyed material, nonpublic information regarding the Worthington Foods acquisition .

106. On or about August 30th and September 20th, 1999, based upon the disclosure by defendant ROGER D. BLACKWELL of the material, nonpublic information regarding Worthington Foods, unindicted co-conspirator E purchased a total of 388 shares of Worthington Foods stock in three separate accounts at two separate Columbus, Ohio stockbrokerage firms. Unindicted co-conspirator E opened one of the accounts used on September 20, 1999 on or about August 30, 1999 at a different Columbus, Ohio brokerage firm than he had previously used. All of these shares subsequently sold in December 1999 for a profit of more than \$4,000.

All in violation of 18 U.S.C. §371.

COUNTS 2 THROUGH 9
(INSIDER TRADING)

1. The allegations of paragraphs 1 through 63 of Count 1 of this Indictment and paragraphs 2 and 3 that follow are hereby incorporated by reference into counts 2 through 9 as if fully rewritten therein.

2. During September 1999 and continuing through and including October 1999, in the Southern District of Ohio and elsewhere,

ROGER D. BLACKWELL and
KELLEY L. HUGHES,

defendants herein, directly and indirectly, by the use of means and instrumentalities of interstate commerce and of the facilities of a national securities exchange, willfully used and employed, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances, in contravention of Title 17, Code of Federal Regulations, §240.10b-5, by: (a) employing devices, schemes, and artifices to defraud and (b) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon other persons, which scheme to defraud is further described in Count One of this Indictment.

3. On or about the dates specified below, in the Southern District of Ohio and elsewhere,

ROGER D. BLACKWELL and
KELLEY L. HUGHES,

defendants herein, for the purpose of executing the above-described scheme to defraud, in connection with the purchases and

sales of the shares of Worthington Foods stock listed below, willfully used, and caused the use of, the means and instrumentalities of interstate commerce and of the facilities of a national securities exchange, as specified below:

| COUNT | DATE | SHARES | MEANS |
|-------|--------------------|--------|---|
| Two | September 21, 1999 | 382 | Wire transmission from Columbus, OH to Washington, DC |
| Three | September 22, 1999 | 5,500 | Wire transmissions from Columbus, OH to New York, NY |
| Four | September 22, 1999 | 750 | |
| Five | September 30, 1999 | 628 | |
| Six | September 20, 1999 | 354 | Telephone call from Columbus, OH to Hartford, CT |
| Seven | September 27, 1999 | 5000 | |
| Eight | September 29, 1999 | 100 | Wire transmissions from Columbus, OH to NJ |
| Nine | September 30, 1999 | 300 | |

In violation of Title 15, United States Code, §§78j(b) and 78ff; Title 17, Code of Federal Regulations, §240.10b-5; and Title 18, United States Code, §2.

COUNTS 10 THROUGH 15
(INSIDER TRADING)

1. The allegations of paragraphs 1 through 63 of Count 1 of this Indictment and paragraphs 2 and 3 that follow are hereby incorporated by reference into Counts 10 through 15 as if fully rewritten therein.

2. During September 1999 and continuing through and including October 1999, in the Southern District of Ohio and elsewhere,

ROGER D. BLACKWELL,
KELLEY L. HUGHES, and
KEVIN L. STACY,

defendants herein, directly and indirectly, by the use of means and instrumentalities of interstate commerce and of the facilities of a national securities exchange, willfully used and employed, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances, in contravention of Title 17, Code of Federal Regulations, §240.10b-5, by: (a) employing devices, schemes, and artifices to defraud and (b) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon other persons, which scheme to defraud is further described in Count One of this Indictment.

3. On or about the dates specified below, in the Southern District of Ohio and elsewhere,

ROGER D. BLACKWELL,
KELLEY L. HUGHES, and
KEVIN L. STACY,

defendants herein, for the purpose of executing the above-described scheme to defraud, in connection with the purchases and sales of Worthington Foods stock listed below, willfully used, and caused the use of, the means and instrumentalities of interstate commerce and of the facilities of a national securities exchange, as specified below:

| COUNT | DATE | SHARES | MEANS |
|----------|--------------------|--------|---|
| Ten | September 1, 1999 | 180 | Wire transmission from Columbus, OH, to Washington, DC |
| Eleven | September 20, 1999 | 172 | Wire transmission from Columbus, OH, to New York, NY |
| Twelve | September 29, 1999 | 1,500 | Wire transmissions from Columbus, OH, to Phoenix, AZ, then to Jersey City, NJ |
| Thirteen | September 29, 1999 | 500 | |
| Fourteen | September 29, 1999 | 100 | |
| Fifteen | September 30, 1999 | 120 | Wire transmission from Columbus, OH, to Washington, DC |

In violation of Title 15, United States Code, §§78j(b) and 78ff; Title 17, Code of Federal Regulations, §240.10b-5; and Title 18, United States Code, §2.

**COUNTS 16 THROUGH 20
(INSIDER TRADING)**

1. The allegations of paragraphs 1 through 63 of Count 1 of this Indictment and paragraphs 2 and 3 that follow are hereby incorporated by reference into Counts 16 through 20 as if fully rewritten therein.

2. During September 1999 and continuing through and including October 1999, in the Southern District of Ohio and elsewhere,

ROGER D. BLACKWELL, and
ARNOLD L. JACK

defendants herein, directly and indirectly, by the use of means and instrumentalities of interstate commerce and of the

facilities of a national securities exchange, willfully used and employed, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances, in contravention of Title 17, Code of Federal Regulations, §240.10b-5, by: (a) employing devices, schemes, and artifices to defraud and (b) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon other persons, which scheme to defraud is further described in Count One of this Indictment.

3. On or about the dates specified below, in the Southern District of Ohio and elsewhere,

ROGER D. BLACKWELL, and
ARNOLD L. JACK

defendants herein, for the purpose of executing the above-described scheme to defraud, in connection with the purchases and sales of Worthington Foods stock listed below, willfully used, and caused the use of, the means and instrumentalities of interstate commerce and of the facilities of a national securities exchange, as specified below:

| COUNT | DATE | SHARES | MEANS |
|-----------|--------------------|--------|--|
| Sixteen | September 7, 1999 | 1,000 | Wire transmission from Columbus, OH, to Washington, DC |
| Seventeen | September 8, 1999 | 500 | Wire transmission from Columbus, OH through NY or Boston, MA |
| Eighteen | September 8, 1999 | 500 | |
| Nineteen | September 9, 1999 | 500 | |
| Twenty | September 27, 1999 | 500 | |

In violation of Title 15, United States Code, §§78j(b) and 78ff; Title 17, Code of Federal Regulations, §240.10b-5; and Title 18, United States Code, §2.

COUNTS 21 THROUGH 22
(INSIDER TRADING)

1. The allegations of paragraphs 1 through 63 of Count 1 of this Indictment and paragraphs 2 and 3 that follow are hereby incorporated by reference into Counts 21 through 22 as if fully rewritten therein.

2. During September 1999 and continuing through and including October 1999, in the Southern District of Ohio and elsewhere,

ROGER D. BLACKWELL,
ARNOLD L. JACK, and
BLACK JACK ENTERPRISES

defendants herein, directly and indirectly, by the use of means and instrumentalities of interstate commerce and of the facilities of a national securities exchange, willfully used and employed, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances, in contravention of Title 17, Code of Federal Regulations, §240.10b-5, by: (a) employing devices, schemes, and artifices to defraud and (b) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon other persons, which scheme to defraud is further described in Count One of this Indictment.

3. On or about the dates specified below, in the Southern District of Ohio and elsewhere,

ROGER D. BLACKWELL,
ARNOLD L. JACK, and
BLACK JACK ENTERPRISES

defendants herein, for the purpose of executing the above-described scheme to defraud, in connection with the purchases and sales of shares of Worthington Foods stock listed below, willfully used, and caused the use of, the means and instrumentalities of interstate commerce and of the facilities of a national securities exchange, as specified below:

| COUNT | DATE | SHARES | MEANS |
|------------|-------------------|--------|--|
| Twenty-one | September 8, 1999 | 2,000 | Wire transmission from Columbus, OH through NY or Boston, MA |
| Twenty-two | September 9, 1999 | 500 | |

In violation of Title 15, United States Code, §§78j(b) and 78ff; Title 17, Code of Federal Regulations, §240.10b-5; and Title 18, United States Code, §2.

COUNT 23

(CONSPIRACY TO OBSTRUCT JUSTICE)

1. The allegations of paragraphs 1 through 63 of Count 1 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. Defendant ROGER D. BLACKWELL was aware of Worthington Foods' well-established policy and prohibitions against insider trading. He also knew that, as a member of the Boards of Directors of Worthington Foods and other companies, he was prohibited from providing to others material, nonpublic information about Worthington Foods. As set forth more fully below, defendant ROGER D. BLACKWELL repeatedly breached his duty of trust and confidence to Worthington Foods and its shareholders by disclosing, or causing the disclosure of, material, nonpublic information to at least defendants KELLEY L. HUGHES, KEVIN L. STACY, ARNOLD L. JACK, JUSTIN VOSS, BLACK JACK ENTERPRISES, and

others, including unindicted co-conspirators A, B, C, D, and E. Moreover, defendant ROGER D. BLACKWELL improperly benefitted, directly and indirectly, by disclosing that information. Additionally, each of the defendants and others, including unindicted co-conspirators A, C, D, and E, that he tipped, improperly benefitted by trading on the information.

3. In or about November 2000, the Midwest Regional Office of the United States Securities and Exchange Commission (hereinafter the "Commission" or the "SEC"), an agency of the United States, was investigating the trading in the securities of Worthington Foods in advance of the October 1, 1999 public announcement of the merger between Worthington Foods and Kellogg. The SEC was investigating the trading by the defendants and others, including unindicted co-conspirators A, C, D, and E. The investigation focused on whether any such trades were made in violation of federal securities laws and regulations that prohibit trading on the basis of material, nonpublic information. The investigation, among other things, sought to determine whether any material, nonpublic information was communicated to any of the defendants or others, including unindicted co-conspirators A, B, C, D, and E, causing them to trade in the securities of Worthington Foods.

4. In the SEC investigation, the Commission subpoenaed documents and took sworn investigative testimony. Included among the persons subpoenaed for documents and testimony were defendants ROGER D. BLACKWELL, KELLEY L. HUGHES, KEVIN L. STACY, ARNOLD L. JACK, JUSTIN VOSS, and others, including unindicted co-conspirators B, C, D, and E. Each of the aforementioned individuals was represented by counsel at their sworn SEC testimony and, prior to testifying, each was warned of the consequences of giving false or misleading testimony.

5. Defendants ROGER D. BLACKWELL, KELLEY L. HUGHES, KEVIN

L. STACY, ARNOLD L. JACK, JUSTIN VOSS, and unindicted co-conspirators B and C, among other things, attempted to evade and obstruct, and evaded and obstructed, the investigation of the United States Securities and Exchange Commission and also made false statements, and provided false and misleading information. These individuals made evasive, obstructive, and misleading statements regarding, among other things, defendant ROGER D. BLACKWELL's communication of material, nonpublic information to each of them and their trading in the securities of Worthington Foods while in possession of that "inside information," in connection with that same investigation, all in an effort to conceal or cover up the scheme to defraud. Unindicted co-conspirators A and B and defendant JUSTIN VOSS also gave false and misleading answers to the Federal Bureau of Investigation in an effort to conceal or cover up the scheme.

6. The National Association of Securities Dealers (the "NASD") is a self-regulatory organization. On or about December 1999 in connection with its duties, the NASD requested Worthington Foods and Kellogg to inquire of defendant ROGER D. BLACKWELL, among others, regarding the pattern of suspicious trading in the securities of Worthington Foods. In his responses to Worthington Foods and Kellogg, who were inquiring on behalf of the NASD, defendant ROGER D. BLACKWELL attempted to, and did, evade and mislead the NASD in connection with its inquiry in order to conceal and cover up the scheme to defraud.

7. Beginning on or before September 20, 1999, and up through the date of this Indictment in the Southern District of Ohio and elsewhere, the defendants and others, including unindicted co-conspirators B and C did unlawfully and knowingly conspired, combined, confederated, and agreed with each other and with diverse other persons, both known and unknown to the grand jury, to corruptly and knowingly endeavor to influence, obstruct,

and impede the due and proper administration of law under which a pending proceeding was being held before the United States Securities and Exchange Commission (SEC), an agency of the United States, by violating and attempting to violate 18 U.S.C. §1505 and to make false statements in violation of 18 U.S.C. §1001.

OVERT ACTS

8. In furtherance of the conspiracy and to effect the unlawful objects of the conspiracy, the defendants and others not charged herein, including unindicted co-conspirators B and C, committed and caused to be committed at least one overt act in the Southern District of Ohio, and elsewhere. The overt acts include, but are not limited to, all of the conduct described in Counts 24 through 48 of the Indictment, as well as the following conduct:

JUSTIN VOSS

9. On or about October 3, 1999, defendant JUSTIN VOSS had a 29 minute phone conversation with defendant ROGER D. BLACKWELL. Defendant JUSTIN VOSS called from his home in Chazy, New York, to defendant ROGER D. BLACKWELL's home in Columbus, Ohio. This call to defendant ROGER D. BLACKWELL came two days after the public announcement of the acquisition of Worthington Foods by Kellogg. On October 1, 1999, the day of that public announcement, defendant JUSTIN VOSS had been informed by his stockbroker that defendant JUSTIN VOSS's purchases of Worthington Foods stock would be investigated.

10. On or about the third week in May 2002, while traveling through Columbus, Ohio, defendant JUSTIN VOSS had a telephone conversation with defendant ROGER D. BLACKWELL wherein they discussed the SEC investigation of trading in the stock of

Worthington Foods prior to the public announcement of Worthington Foods acquisition by Kellogg.

11. Sometime between January 26, 2001 and August 2, 2002, defendant JUSTIN VOSS, in response to a January 26, 2001 subpoena from the SEC, produced incomplete telephone records.

12. On or about August 2, 2002, defendant JUSTIN VOSS testified under oath in the SEC investigation of trading of Worthington Foods stock. During that testimony, defendant JUSTIN VOSS gave false, evasive, and misleading responses to questions by the SEC.

KELLEY L. HUGHES
KEVIN L. STACY

13. In or about November of 2000, defendants KELLEY L. HUGHES and KEVIN L. STACY provided incomplete brokerage and bank account statements in response to a SEC subpoena for at least several of their bank and brokerage accounts. The only bank and stockbrokerage account statements for the year 1999 that were not produced by defendants KELLEY L. HUGHES and KEVIN L. STACY were for September 1999, the month during which they purchased 10,286 shares of Worthington Foods stock.

14. On November 21, 2000, defendants KELLEY L. HUGHES and KEVIN L. STACY, while under oath, gave false, vague, and misleading answers in response to certain questions from SEC investigators.

15. On or about May 15, 2002, defendant KELLEY L. HUGHES also, while under oath, gave false, vague, and misleading answers in response to certain questions from SEC investigators.

ARNOLD L. JACK

16. On or about November 29, 2000, defendant ARNOLD L. JACK testified under oath in the SEC investigation. During that

testimony defendant ARNOLD L. JACK gave false, vague, and misleading answers to certain SEC questions.

ROGER D. BLACKWELL

17. In or about November 2000, defendant ROGER D. BLACKWELL and unindicted co-conspirator B agreed on a plan to delete from a database the names of certain individuals. Certain information, including this database, had been subpoenaed by the SEC. The individuals whose names were deleted had purchased shares of Worthington Foods.

18. On November 8, 2000, at 12:43 a.m., defendant ROGER D. BLACKWELL and unindicted co-conspirator B deleted the name of defendant JUSTIN VOSS from the database referenced in the paragraph 18 above.

19. On November 8, 2000, at 12:43 a.m., defendant ROGER D. BLACKWELL and unindicted co-conspirator B deleted the name unindicted co-conspirator C from the database referenced in the paragraph 18 above.

20. On November 8, 2000, at 12:45 a.m., defendant ROGER D. BLACKWELL and unindicted co-conspirator B deleted the name of unindicted co-conspirator A from the database referenced in the paragraph 18 above.

21. In or about November 2000, in response to the SEC subpoena, defendant ROGER D. BLACKWELL produced incomplete telephone records.

22. On or about January 9, 2001, defendant ROGER D. BLACKWELL testified under oath in the SEC investigation. In that sworn testimony, defendant ROGER D. BLACKWELL gave false, vague, or misleading answers to certain questions asked by the SEC during his testimony.

23. On or about January 18, 2002, defendant ROGER D. BLACKWELL caused one of the attorneys representing defendant

ROGER D. BLACKWELL in the SEC civil investigation to fax and send by overnight courier a letter to the SEC in Chicago, Illinois, pertaining to the SEC's investigation of Worthington Foods. In that letter, defendant ROGER D. BLACKWELL provides a false statement to the SEC. The letter falsely states that, "Dr. Blackwell can state with certainty that he never discussed the proposed acquisition of Worthington Foods or disclosed any confidential information, because of his long standing policy of never discussing such activities until after information is publically disclosed."

In violation of 18 U.S.C. §371.

COUNT 24
(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On or about May 19, 2004, in the Southern District of Ohio and elsewhere, defendant JUSTIN VOSS knowingly and willfully made a materially false, fictitious, and fraudulent statement regarding his 1999 purchases of Worthington Foods stock during a telephonic interview with the Federal Bureau of Investigation, an agency or department of the United States. Defendant JUSTIN VOSS stated that the reason for his 1999 purchases of Worthington Foods stock was a spike in the price during the time period when Kellogg decided to acquire Worthington Foods. At the time defendant JUSTIN VOSS made this statement regarding the reason for his purchases of Worthington Foods stock, he knew it was false. In fact, as defendant JUSTIN VOSS well knew, defendant JUSTIN VOSS made his purchases of Worthington Foods stock based

on material, nonpublic information regarding Worthington Foods, information which was given to him by defendant ROGER D. BLACKWELL.

In violation of Title 18, U.S.C. §1001.

COUNT 25

(OBSTRUCTION OF AN AGENCY PROCEEDING)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 21, 2000, in the Southern District of Ohio and elsewhere, defendant KELLEY L. HUGHES corruptly and knowingly endeavored to influence, obstruct, and impede the due and proper administration of law under which a pending proceeding was being held before the United States Securities and Exchange Commission, an agency of the United States, in that defendant KELLEY L. HUGHES made a series of evasive, false, and misleading answers regarding, among other things, the information she had and the persons she spoke to about Worthington Foods prior to making her purchases of Worthington Foods stock in 1999.

In violation of Title 18, U.S.C. §1505.

COUNT 26

(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 21, 2000, in the Southern District of Ohio

and elsewhere, defendant KELLEY L. HUGHES knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant KELLEY L. HUGHES's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant KELLEY L. HUGHES was asked the following question and gave the following false response:

Q. ...and the annual reports. Other than the annual reports you had gotten as a shareholder and what you've testified to with regard to what you looked at on Yahoo, was there anything else, any other information about Worthington that you had before the first purchase in September of 1999?

A. No.

In fact, as defendant KELLEY L. HUGHES well knew, defendant KELLEY L. HUGHES made her purchases of Worthington Foods stock based on material, nonpublic information regarding the acquisition of Worthington Foods, information which was given to her by defendant ROGER D. BLACKWELL.

In violation of Title 18, U.S.C. §1001.

COUNT 27

(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 21, 2000, in the Southern District of Ohio

and elsewhere, defendant KELLEY L. HUGHES knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant KELLEY L. HUGHES's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant KELLEY L. HUGHES was asked the following question and gave the following false response:

Q. Did Roger [Blackwell] ever mention anything about a proposed merger or business relationship involving Worthington Foods and Kellogg?

A. No.

In fact, as defendant KELLEY L. HUGHES well knew, defendant KELLEY L. HUGHES made her purchases of Worthington Foods stock based on material, nonpublic information regarding the acquisition of Worthington Foods, information which was given to her by defendant ROGER D. BLACKWELL.

In violation of Title 18, U.S.C. §1001.

COUNT 28

(OBSTRUCTION OF AN AGENCY PROCEEDING)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On May 15, 2002, in the Southern District of Ohio and elsewhere, defendant KELLEY L. HUGHES corruptly and knowingly endeavored to influence, obstruct, and impede the due and proper

administration of law under which a pending proceeding was being held before the United States Securities and Exchange Commission, an agency of the United States, in that defendant KELLEY L. HUGHES made a series of evasive, false, and misleading answers regarding, among other things, the information she had and the persons she spoke to about Worthington Foods prior to making her purchases of Worthington Foods stock in 1999.

In violation of Title 18, U.S.C. §1505.

COUNT 29

(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On May 15, 2002, in the Southern District of Ohio and elsewhere, defendant KELLEY L. HUGHES knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant KELLEY L. HUGHES's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant KELLEY L. HUGHES was asked the following question and gave the following false response:

Q. At this meeting on August 31 [1999] with Mr. Blackwell, did you discuss a merger or possible merger concerning Worthington Foods?

A. No.

In fact, as defendant KELLEY L. HUGHES well knew, on August 31, 1999, defendant ROGER D. BLACKWELL disclosed material, nonpublic information regarding the acquisition of Worthington Foods to defendant KELLEY L. HUGHES.

In violation of Title 18, U.S.C. §1001.

COUNT 30
(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On May 15, 2002, in the Southern District of Ohio and elsewhere, defendant KELLEY L. HUGHES knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant KELLEY L. HUGHES's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant KELLEY L. HUGHES was asked the following question and gave the following false response:

Q. Did you have any information about a possible merger concerning Worthington Foods prior to your September 22 [1999] purchases?

A. I didn't, no.

Q. Had you talked with anyone at all about a possible merger concerning Worthington Foods prior to your September 22 [1999] purchases?

A. No.

In fact, defendant KELLEY L. HUGHES knew these answers were false when she gave them because, as defendant KELLEY L. HUGHES well knew, she was in possession of material, nonpublic information regarding the acquisition of Worthington Foods at the time of her Worthington Foods purchases in 1999.

In violation of Title 18, U.S.C. §1001.

COUNT 31
(OBSTRUCTION OF AN AGENCY PROCEEDING)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On or about November 17, 2000, in the Southern District of Ohio and elsewhere, defendants KEVIN L. STACY and KELLEY L. HUGHES corruptly and knowingly endeavored to influence, obstruct, and impede the due and proper administration of law under which a pending proceeding was being held before the United States Securities and Exchange Commission, an agency of the United States, in that defendants KEVIN L. STACY and KELLEY L. HUGHES failed to produce brokerage and bank account statements for at least several of their brokerage and bank accounts for September 1999, the month during which defendants KEVIN L. STACY and KELLEY L. HUGHES made all of their Worthington Foods purchases.

In violation of Title 18, U.S.C. §1505.

COUNT 32

(OBSTRUCTION OF AN AGENCY PROCEEDING)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 21, 2000, in the Southern District of Ohio and elsewhere, defendant KEVIN L. STACY corruptly and knowingly endeavored to influence, obstruct, and impede the due and proper administration of law under which a pending proceeding was being held before the United States Securities and Exchange Commission, an agency of the United States, in that defendant KEVIN L. STACY made a series of evasive, false, and misleading answers regarding, among other things, the information he had and the persons he spoke to about Worthington Foods prior to making his purchases of Worthington Foods stock in 1999.

In violation of Title 18, U.S.C. §1505.

COUNT 33

(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 21, 2000, in the Southern District of Ohio and elsewhere, defendant KEVIN L. STACY knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant KEVIN L. STACY's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant KEVIN L.

STACY was asked the following question and gave the following false response:

Q. Did you talk with anyone regarding your purchase of Worthington Foods in the Advest account [on September 1, 1999]?

A. No.

In fact, as defendant KEVIN L. STACY well knew, defendant KEVIN L. STACY spoke with his wife, defendant KELLEY L. HUGHES and she disclosed to him the material, nonpublic information that she had obtained from defendant ROGER D. BLACKWELL.

In violation of Title 18, U.S.C. §1001.

COUNT 34

(OBSTRUCTION OF AN AGENCY PROCEEDING)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 21, 2000, in the Southern District of Ohio and elsewhere, defendant KEVIN L. STACY corruptly and knowingly endeavored to influence, obstruct, and impede the due and proper administration of law under which a pending proceeding was being held before the United States Securities and Exchange Commission, an agency of the United States, in that defendant KEVIN L. STACY made a series of evasive, false, and misleading answers regarding, among other things, whether he discussed his September 1, 1999 purchase of Worthington Foods stock with his wife, defendant KELLEY L. HUGHES.

In violation of Title 18, U.S.C. §1505.

COUNT 35
(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 21, 2000, in the Southern District of Ohio and elsewhere, defendant KEVIN L. STACY knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant KEVIN L. STACY's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant KEVIN L. STACY was asked the following questions and gave the following false responses:

Q. Did you know about any possible business activities concerning Worthington Foods prior to the announcement on - in October of the deal with Kellogg?

A. No.

Mr. Woods [Attorney for Hughes]: Let me ask for a clarification question. You asked if he was aware of any business activities?

Q. Any business deals involving any business combinations or any business deals involving Worthington Foods prior to the news announcement in October.

A. No.

Mr. Woods: Thank you.

Q. So prior to the announcement in October of 1999 did you have any reason to believe that Worthington Foods was considering any business combinations, mergers, or acquisitions?

A. No.

Q. Did you have any idea prior to the announcement in October of 1999 that there was any significant business developments at Worthington Foods?

A. No.

In fact, as defendant KEVIN L. STACY well knew, prior to the announcement on October 1, 1999, defendant KEVIN L. STACY was told by his wife, defendant KELLEY L. HUGHES the material, nonpublic information which she obtained from defendant ROGER D. BLACKWELL regarding the acquisition of Worthington Foods.

In violation of Title 18, U.S.C. §1001.

COUNT 36

(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 21, 2000, in the Southern District of Ohio

and elsewhere, defendant KEVIN L. STACY knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant KEVIN L. STACY's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant KEVIN L. STACY was asked the following questions and gave the following false responses:

Q. Did Kelley [Hughes] ever tell you about anything she had heard at work regarding Worthington [Foods] in August of 1999?

A. No.

Q. Did Kelley [Hughes] ever tell you about anything she had heard at work regarding Worthington [Foods] in September of 1999?

A. No.

In fact, as defendant KEVIN L. STACY well knew, defendant KEVIN L. STACY was told material, nonpublic information about Worthington Foods by his wife, defendant KELLEY L. HUGHES.

In violation of Title 18, U.S.C. §1001.

COUNT 37

(OBSTRUCTION OF AN AGENCY PROCEEDING)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if

fully rewritten herein.

2. On November 29, 2000, in the Southern District of Ohio and elsewhere, defendant ARNOLD L. JACK corruptly and knowingly endeavored to influence, obstruct, and impede the due and proper administration of law under which a pending proceeding was being held before the United States Securities and Exchange Commission, an agency of the United States, in that defendant ARNOLD L. JACK made a series of evasive, false, and misleading answers regarding, among other things, the information he had and the persons he spoke to about Worthington Foods prior to making his purchases of Worthington Foods stock in 1999.

In violation of Title 18, U.S.C. §1505.

COUNT 38

(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 29, 2000, in the Southern District of Ohio and elsewhere, defendant ARNOLD L. JACK knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant ARNOLD L. JACK's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant ARNOLD L. JACK was asked the following question and gave the following false response:

Q. Well, was there some information or something you noticed about Worthington Foods around September of 1999

that caused you to look at it as an investment?

A. Other than talking probably with the - - when I called Dick Evans. I may have called him three or four days before and said, hey, what do you think about this? Give me some comments on this, talk to me about it. And then I'd call him back. Nothing specific, no.

In fact, as defendant ARNOLD L. JACK well knew, defendant ARNOLD L. JACK purchased Worthington Foods stock because defendant ROGER D. BLACKWELL disclosed material, nonpublic information about Worthington Foods to defendant ARNOLD L. JACK.

In violation of Title 18, U.S.C. §1001.

COUNT 39

(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 29, 2000, in the Southern District of Ohio and elsewhere, defendant ARNOLD L. JACK knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant ARNOLD L. JACK's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant ARNOLD L. JACK was asked the following question and gave the following false response:

Q. Before your first purchase of Worthington Foods in September of 1999 did you talk to anyone about Worthington Foods other than possibly talking to your brokers about it?

A. No.

In fact, as defendant ARNOLD L. JACK well knew, defendant ARNOLD L. JACK talked to defendant ROGER D. BLACKWELL about Worthington Foods prior to defendant ARNOLD L. JACK's first purchase of Worthington Foods stock.

In violation of Title 18, U.S.C. §1001.

COUNT 40
(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 29, 2000, in the Southern District of Ohio and elsewhere, defendant ARNOLD L. JACK knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant ARNOLD L. JACK's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant ARNOLD L. JACK was asked the following question and gave the following false response:

Q. Did you talk with any other people concerning Worthington Foods during that - - from the time of your first purchase to the time of your last purchase?

A. No. I would have talked to my -- on the last purchase, again, I would have talked to the broker.

In fact, as defendant ARNOLD L. JACK well knew, defendant ARNOLD L. JACK spoke to defendant ROGER D. BLACKWELL about Worthington Foods from the time of defendant ARNOLD L. JACK's first purchase of Worthington Foods stock to the time of defendant ARNOLD L. JACK'S last purchase.

In violation of Title 18, U.S.C. §1001.

COUNT 41
(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 29, 2000, in the Southern District of Ohio and elsewhere, defendant ARNOLD L. JACK knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant ARNOLD L. JACK's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant ARNOLD L. JACK was asked the following questions and gave the following false responses:

Q. Have you ever talked about stocks in general with Roger Blackwell in September -- in 1999?

A. I don't recall talking about any stocks.

Q. Did you talk about Worthington Foods with Roger Blackwell at any point?

A. No.

In fact, as defendant ARNOLD L. JACK well knew, defendant ARNOLD L. JACK talked to defendant ROGER D. BLACKWELL about Worthington Foods more than once in 1999. For example, defendant ARNOLD L. JACK spoke with defendant ROGER D. BLACKWELL on the telephone on September 7, 1999 about Worthington Foods.

In violation of Title 18, U.S.C. §1001.

COUNT 42

(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 29, 2000, in the Southern District of Ohio and elsewhere, defendant ARNOLD L. JACK knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant ARNOLD L. JACK's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant ARNOLD L. JACK was asked the following question and gave the following false response:

Q. Were you aware that Roger Blackwell was on the Board of Directors of Worthington Foods in 1999?

A. No.

In fact, as defendant ARNOLD L. JACK well knew, defendant ROGER D. BLACKWELL was a Board member of Worthington Foods.

In violation of Title 18, U.S.C. §1001.

COUNT 43
(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 29, 2000, in the Southern District of Ohio and elsewhere, defendant ARNOLD L. JACK knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant ARNOLD L. JACK's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant ARNOLD L. JACK was asked the following question and gave the following false response:

Q. What did you talk about on September 7 - - or first of all who did you speak with [during the 7 minute phone call on September 7, 1999]?

A. I don't recall.

In fact, as defendant ARNOLD L. JACK well knew, defendant ARNOLD L. JACK spoke with defendant ROGER D. BLACKWELL during the seven minute phone call on September 7, 1999 and, during that

conversation, defendant ROGER D. BLACKWELL disclosed material, nonpublic information regarding Worthington Foods to defendant ARNOLD L. JACK.

In violation of Title 18, U.S.C. §1001.

COUNT 44
(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 29, 2000, in the Southern District of Ohio and elsewhere, defendant ARNOLD L. JACK knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony regarding defendant ARNOLD L. JACK's 1999 purchases of Worthington Foods stock in an investigation by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant ARNOLD L. JACK was asked the following question and gave the following false response:

Q. During the [September 7, 1999] phone call you made to Roger Blackwell and Associates offices did you have any discussions about Worthington Foods?

A. No.

In fact, as defendant ARNOLD L. JACK well knew, defendant ARNOLD L. JACK and defendant ROGER D. BLACKWELL discussed Worthington Foods during that telephone call.

In violation of Title 18, U.S.C. §1001.

COUNT 45
(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On January 9, 2001, in the Southern District of Ohio and elsewhere, defendant ROGER D. BLACKWELL knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony in the investigation regarding certain trading in the stock of Worthington Foods in September 1999 by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant ROGER D. BLACKWELL was asked the following question and gave the following false response:

Q. Did you have any discussions with Mr. Jack concerning Worthington Foods in 1999?

A. No.

In fact, as defendant ROGER D. BLACKWELL well knew, defendant ROGER D. BLACKWELL discussed Worthington Foods with defendant ARNOLD L. JACK on more than one occasion in 1999.

In violation of Title 18, U.S.C. §1001.

COUNT 46
(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On January 9, 2001, in the Southern District of Ohio and elsewhere, defendant ROGER D. BLACKWELL knowingly and willfully made a materially false, fictitious, and fraudulent statement during sworn testimony in the investigation regarding certain trading in the stock of Worthington Foods in September 1999 by the United States Securities and Exchange Commission, an agency of the United States. During that testimony, defendant ROGER D. BLACKWELL was asked the following question and gave the following false response:

Q. ... Mr. Blackwell, do you wish to clarify anything or add anything to the statements you have made today?

A. No, I just want to clarify that I've been on public boards for many years and have gone through lots of briefings on the Blue Ribbon Commission and heard a lot of legal counsel talk about Reg FD's and I am very careful about SEC rules. I've filed Form 4's and do this, not every day but it seems like it sometimes, and I just want to clarify that at no time did I gave [sic.] any confidential information to anybody about this transaction or any other thing that I would consider inside information about Worthington Foods.

In fact, as defendant ROGER D. BLACKWELL well knew, defendant ROGER D. BLACKWELL disclosed material, nonpublic

information to at least one of the defendants and others, including at least one of the unindicted co-conspirators A, B, C, D, and E.

In violation of Title 18, U.S.C. §1001.

COUNT 47

(OBSTRUCTION OF AN AGENCY PROCEEDING)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On November 8, 2000, at 12:43 a.m. and thereafter, in the Southern District of Ohio, defendant ROGER D. BLACKWELL corruptly and knowingly endeavored to influence, obstruct, and impede the due and proper administration of law under which a pending proceeding was being held before the United States Securities and Exchange Commission, an agency of the United States, in that defendant ROGER D. BLACKWELL and unindicted co-conspirator B agreed on a plan to delete from a database the names of certain individuals who had purchased Worthington Foods, which information had been subpoenaed by the SEC. Pursuant to this plan, defendant ROGER D. BLACKWELL and unindicted co-conspirator B corruptly and knowingly deleted the names of unindicted co-conspirator A, unindicted co-conspirator C, and defendant JUSTIN VOSS.

In violation of Title 18, U.S.C. §1505.

COUNT 48
(FALSE STATEMENT)

1. The allegations of paragraphs 1 through 7 of Count 23 of this Indictment are hereby incorporated by reference as if fully rewritten herein.

2. On or about January 18, 2002, in the Southern District of Ohio and elsewhere, defendant ROGER D. BLACKWELL knowingly and willfully made a materially false, fictitious, and fraudulent statement when he caused one of the attorneys representing defendant ROGER D. BLACKWELL in the SEC civil investigation to send a letter by facsimile and by overnight courier to the United States Securities and Exchange Commission, an agency of the United States, pertaining to the SEC's investigation of Worthington Foods. In that letter, defendant ROGER D. BLACKWELL provides a false response to the SEC. The letter falsely states that, "Dr. Blackwell can state with certainty that he never discussed the proposed acquisition of Worthington Foods or disclosed any confidential information, because of his long standing policy of never discussing such activities until after information is publically disclosed.".

In fact, as defendant ROGER D. BLACKWELL well knew, defendant ROGER D. BLACKWELL disclosed material, nonpublic information to at least one of the defendants and others, including at least one of the unindicted co-conspirators A, B, C, D, and E.

In violation of Title 18, U.S.C. §1001 and 2.

NOTICE OF ADDITIONAL FACTORS

The Grand Jury further charges:

1. That defendant ROGER D. BLACKWELL, in committing at least one of the offenses charged in this Indictment, including, but not limited to, Counts 1 and 23, was an organizer, leader, manager, or supervisor of criminal activity for at least one other participant.

2. That the conduct of defendants, and the un-indicted co-conspirators, in committing the offenses of this Indictment, resulted in a total gain or profit which exceeded \$800,000.


3. That defendant ROGER D. BLACKWELL, in committing at least one of the offenses described in Counts 1 through 22 of the Indictment, held, and abused, a position of public or private trust, which position of trust significantly facilitated the commission or the concealment of the offense.

4. That defendants ROGER D. BLACKWELL, KELLEY L. HUGHES, KEVIN L. STACY, ARNOLD L. JACK, and JUSTIN VOSS, in committing at least one of the offenses charged herein, willingly obstructed or impeded or attempted to obstruct or impede the administration of justice during the course of the SEC investigation of alleged insider trading of Worthington Foods and that the obstructive conduct related to the offenses of illegal insider trading, making false statements, or obstruction of justice.


5. That defendants ROGER D. BLACKWELL, KELLEY L. HUGHES, KEVIN L. STACY, ARNOLD L. JACK, and JUSTIN VOSS, in the course of committing at least one of the offenses charged in this

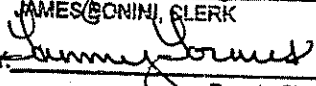
Indictment, engaged in more than minimal planning, that is, defendants ROGER D. BLACKWELL, KELLEY L. HUGHES, KEVIN L. STACY, ARNOLD L. JACK, and JUSTIN VOSS took affirmative steps to conceal or committed repeated illegal acts over a period of time.

A TRUE BILL.


FOREPERSON

GREGORY G. LOCKHART
United States Attorney


GARY L. SPARTYS (0023428)
Deputy Criminal Chief

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| I CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF THE ORIGINAL FILED IN MY OFFICE ON <u>August 26, 2004</u> JAMES BONINI, CLERK BY:  Deputy Clerk DATE: <u>August 26, 2004</u> | |
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